



# **PROCUREMENT SUPPLIER DIVERSITY PLAN 2009-2011 BIENNIUM**

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# Supplier Diversity Plan

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Document Revision History
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Version	Date	Description
09-11-A	05-12-09	- Supplier Diversity Plan

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## Introduction

All indicators suggest a decline in statewide purchasing with certified minority and women owned business enterprises (MWBE) since the passage Initiative 200 in 1998 which prohibits gender or ethnicity to be an award consideration. By eliminating the 5% preference afforded to certified MWBEs, many eligible MWBE vendors no longer pursue certification absent any perceived benefit. Furthermore, despite continued outreach and education, many agencies are still not sure what they can or should be doing with regard to supplier diversity. The Department of Licensing (DOL) relies upon master contracts awarded by the Office of State Procurement (OSP), the Departments of Information Services and Personnel to in large part affect positive change in the realm of supplier diversity and DOL strives to follow their example when procuring goods and services through other means such as direct buy and informal solicitations.

What follows is the DOL's plan for advancing supplier diversity in Washington State by focusing our attention on:

- Messaging
- Internal Efforts
- External Efforts
- Performance Measures

## Purpose

The goal of the DOL supplier diversity plan is to:

- Make the advancement of supplier diversity a regular part of the DOL contracting culture and to support other agencies' efforts to do the same.
- Proactively implement strategies that maximize MWBE contracting opportunities and participation to the maximum extent allowable by law.
- Win public confidence by promoting improved access to state contracting opportunities.

## Messaging

Just as we have seen Washington impact the market by expressing support for green products, the demand has made sustainability more affordable for all businesses, not just government. Likewise, our supplier diversity efforts will be rewarded by promoting the benefits of a diverse supplier pool. DOL would like to support and embrace General Administration's initiative titled, "Supplier Diversity Buy-In" theme. This buy-in theme promotes these messages:

- Washington is open for business.
- Washington is committed to ensuring fair and open access to contracting and purchasing opportunities for all, including women and minority-owned businesses.
- Supplier diversity strengthens Washington's economic vitality by:
  - Achieving best value contracts
  - Increasing competition
  - Enhancing processes and performance
  - Reaping more innovation and creativity
  - Improving local economies
  - Demonstrating flexibility and openness
  - Yielding diversity in problem-solving
  - Realizing improved customer satisfaction

## Internal Efforts

Whenever the state is in need of a good or service, various stakeholders are engaged for bid development purposes. DOL participates with GA, DIS and DOP as much as possible to provide support during the development of master contracts, and to provide feedback about the performance of vendors. Internally, DOL program managers appreciate the opportunity to participate in the development of the specifications for these master contracts, ensuring the agency's needs are met.

Similarly, DOL Procurement, Supply, IT Acquisitions, and Contracts, seek the input from program area subject matter experts when procuring goods and services not available on a master contract. The resulting relationships that are formed and information that is shared influence the direction and construct of the bid. Therefore, to stimulate more MWBE participation and awards, purchasing personnel will be encouraged by their supervisors to proactively assess the supplier diversity opportunity(ies) at the onset of the bid development process.

Specifically, purchasing personnel will be encouraged to:

- Identify potential certified MWBE players by using the Washington's Electronic Business Solution (WEBS) vendor registration and bid notification database.
- Make contact and invite feedback from those MWBE firms (within reason and as practical), when an opportunity has the potential for MWBE participation.
  - Invite Office of Minority & Women Business Enterprise (OMWBE) to participate in bid development and pre-bid conference(s), so they can alert the MWBE vendor(s) of the upcoming bid opportunity and facilitate networking opportunities among vendors.
  - Identify and strive to overcome any barriers to MWBE participation (i.e. consideration given to structuring the contract regionally, functionally, or otherwise to increase competition)
  - Utilize a pre-release and or pre-bid conferences to inform potential MWBE firms of the opportunity and to solicit input.
  - During the bid development stage, as part of the market assessment, contact and invite feedback from potential bidders (to include all WEBS registered MWBE potential bidders (or other known MWBE potential bidders) and other non-MWBE potential bidders in the market. Capture potential bidder's recommendations and incorporate into the bid as appropriate. This is intended to understand barriers for participation, industry knowledge, market influences, and to capture new technology, advancements, etc.; and offer insight on how to best structure the bid to meet customer's needs, and implement strategies that maximize MWBE participation in the bidding opportunity.
- Notify all MWBE vendors (relevant to the appropriate commodity code) of bid opportunities that are posted in WEBS (regardless of dollar amount).
- Follow-up periodically with MWBE firms that do not regularly respond to solicitations to identify barriers or concerns.
- Document in the award memo-to-file (MTF) the buyer's plan and efforts to maximize MWBE participation.

- Identify the number of relevant MWBE firms listed in WEBS
- Identify the potential MWBE market
- Identify which of these firms were contacted and profiled
- Identify OMWBE involvement
- Before decision is made to renew or rebid a contract, review if contractors are meeting established voluntary goals; or purchasing personnel may recommend that a contract be rebid rather than renewed if qualified certified firms exist that could bid on the contract.

In accordance with the DOL Supplier Diversity Plan, Program Managers and Supervisors are expected to:

- Monitor supplier diversity performance and provide relevant training opportunities and coaching to their purchasing and contract staff.
- Review contracts that are not meeting established voluntary goals before a decision is made whether to renew or re-bid.
- Recommend that a contract be re-bid rather than renewed if qualified certified firms exist that could bid on the contract.
- Integrate measures and specify targets in their business plans as appropriate. Develop understanding of spend reports so that monitoring includes follow through with accounting to ensure MWBE status from WEBS is also recorded in ARFS when payments are made. It is vital to ensure consistent progress and development of these initiatives that staff feel their efforts are reflected in accurate spend reports. Review, assess, and report on supplier diversity performance quarterly.

In an effort to manage the process at the program level, DOL has established internal change agents, the procurement area managers who serve as the primary point of contact with regard to the implementation of the DOL supplier diversity plan. Under the direction of the DOL Change Agent, each procurement manager will coordinate with the other procurement managers to:

- Regularly report supplier diversity progress at regularly held procurement staff meetings.
- Coordinate the response to (internal or external) inquiries regarding the DOL Supplier Diversity Plan.
- Coordinate the gathering of the information needed for reporting purposes.
- Represent DOL at various select events that provide outreach, training, and education to the small, minority, and/or women's business community.

## **External Efforts**

### **Events**

Throughout the year, various organizations sponsor outreach events intended to advance MWBEs and DOL is committed to participate in these events. DOL will support efforts by diversity event sponsors and the master contracting agencies, attending as many events as travel budgets and staff time permit. DOL appreciates the efforts especially of GA as host of an annual trade show that provides DOL an opportunity to further procurement professionals' education

and to meet vendors face to face. DOL supports GA's desire for a unified voice among all state agencies and will:

- Attend events that have the potential to yield an increase in MWBE participation and contract awards.
- Ensure that DOL's planned participation aligns with our agency's outreach plans.
- Work with OMWBE and other [agency change agents](#) in advancing a unified and consistent message that is representative of Washington State Government as a whole and not just an individual agency.
- Coordinate DOL's planned participation with OMWBE and other agency's planned outreach efforts to avoid duplication and to ensure that Washington State as a whole is appropriately represented.
- Utilize the regularly scheduled event meetings as the forum for creating improved awareness and selecting events DOL attends to promote supplier diversity.



Supplier Diversity  
Outreach Plan.xlsx



Event Summary  
Log.docx

### **Promoting Participation**

Some agency purchasing personnel are concerned that by inviting all of the vendors associated to a particular commodity code to compete could result in an overwhelming number of bid responses which can cause delay and added workload. To guard against this potential outcome while still conforming to competitive procurement requirements for purchases that fall under the formal bid thresholds, statewide procurement policies dictate that purchasers must at a minimum invite one available MBE, one available WBE and, in the case of the Washington Purchasing Manual, one available vendor-in-good-standing (VIGS) to participate in the bid. However, it's these solicitations in which MWBEs have the greatest opportunity to capture state business and this is the arena MWBE firms seek to compete in. Moreover, WEBS OSP bid logs indicate that on average five bids are received per solicitation. Therefore, whenever possible and at every available opportunity (i.e. WPM training classes, WEBS training, OMWBE training, customer meetings, management meetings) DOL procurement managers will be encouraging procurement staff and agency policy makers to invite all vendors in the WEBS bidder pool be notified of all bidding opportunities, regardless of dollar amount.

In addition, when vendors register in WEBS and self-identify as a minority or woman owned business, OSP refers 100% of those vendors to OMWBE. OMWBE will follow-up with those vendors to pursue potential MWBE certification. DOL appreciates the efforts of GA and OMWBE to follow through with efforts my by DOL to encourage vendors to become certified.

## Performance Measures

Measurement	Target	Who	By	To
Identify the top seven targeted spend areas represented by M/W firms	A procurement strategy	Procurement Managers meeting with OMWBE	By 6/30 of each fiscal year	DOL Change Agent
Number of outreach events specifically targeted to M/W firms at which DOL attends, sponsors or presents annually	2-4	Procurement Programs (Supply, IT Acquisitions & Contracts	Annually	DOL Change Agent
Number of M/W firms registered in WEBS	GA keeps this data; DOL encourages certification and registration	Procurement Programs (Supply, IT Acquisitions & Contracts	GA tracks Quarterly	Available from GA, difficult to track DOL's direct impact, yet unified voice supports overall goals
Percentage of firms submitting bids in response to solicitations that are WEBS-registered M/W firms (i.e. the "applicant pool")	Measurable just prior to each DOL-solicitation posted	Procurement Programs (Supply, IT Acquisitions & Contracts	Quarterly, use data in meetings with OMWBE to report actual possible vs. overall agency goal.	DOL Change Agent
Percentage value of statewide goods and services contracts awarded by GA, DIS & DOP to M/W firms.	10%	Available from OMWBE	Quarterly, use data in meetings with OMWBE to report actual possible vs. overall agency goal.	DOL Change Agent
Percentage value of statewide goods and services contracts awarded by DOL to M/W firms.	7%	Procurement Programs (Supply, IT Acquisitions & Contracts	Quarterly, use data in meetings with OMWBE to report actual possible vs. overall agency goal.	DOL Change Agent

**Comment [JPJ1]:** Question the %